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TITLE AGENCY MANAGER SENTENCED TO PRISON FOR THREE YEARS IN JACKSONVILLE MORTGAGE FRAUD SCHEME

_____ Jacksonville, FL - On Friday, December 14, 2007, U.S. District Judge Henry Lee Adams, Jr., sentenced Robert W. Hulbert, Jr., 46, of Jacksonville to three years' imprisonment for his participation in a mortgage fraud scheme. After his release from prison, Hulbert will be on supervised probation for four years. Hulbert entered a plea of guilty to conspiracy to commit wire and bank fraud on September 24, 2007. At his sentencing, Hulbert also was ordered to pay restitution of \$1.2 million and to forfeit more than \$4 million, jointly and severally with other conspirators.

Hulbert, who was the manager of the Jacksonville branch of Nations Title Agency of Florida, acted as the closing agent for several transactions in which mortgage loans were fraudulently obtained. He also personally obtained such loans on two properties that he acquired in his name. At the closings, Hulbert disbursed funds from mortgage lenders to conspirators, knowing that the funds had been fraudulently obtained.

According to court documents, the scheme operated this way: Conspirators negotiated to buy residential real estate at a given price. A conspirator who was a licensed real estate appraiser then fraudulently appraised the property for a substantially higher amount than the actual negotiated price. Documents reflecting the inflated appraisal price were submitted to a lender, along with other fraudulent documents, to obtain first and

second mortgage loans on the property. The total amount of the loans was at or near the inflated price.

At the closing on the property, the difference between the actual sales price and the inflated appraisal price -- the proceeds of the fraud -- was disbursed to one or more of the conspirators as an "assignment fee" or "payoff of third mortgage" that did not exist. During the course of the scheme, the conspirators obtained a total of about \$17.7 million in mortgage loans, which would not have been approved but for the fraudulent documents. The conspirators received approximately \$4.024 million in proceeds from the fraudulent transactions.

The investigation was conducted by the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorney Arnold B. Corsmeier.